

Message Text

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43

ORIGIN COME-00

INFO OCT-01 ARA-10 ISO-00 EB-07 DOTE-00 XMB-04 AID-05

IGA-01 L-02 TRSE-00 CIEP-02 /032 R

DRAFTED BY COM/BIC/OED/OPS/J.T.HARDISTY

APPROVED BY EB/OCA/REP/LAKLIEFORTH

COM/BIC/OED/OPS/J.T.HARDISTY

COM/BIC/OED/OPS/S.S.LEON

COM/BIC/OED/OBOD/R.E.COHEN

STATE/ARA/EP/W.CLARK

DOT/FHWA/W.MCKENDRICK

EXIMBANK/R.SIMONINI

----- 056875

R 220045Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY QUITO

INFO AMCONSUL GUAYAQUIL

UNCLAS STATE 065228

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: PRODUCT OPPORTUNITY: ROAD BUILDING EQUIPMENT FOR

--- MINISTRY OF PUBLIC WORKS

REF: QUITO 1714

1. OVERSEAS PRODUCT SALES (OPS) GROUP OF USDOC HAS
FURNISHED COPY OF REFTTEL TO ADDRESSEES LISTED IN PARA THREE
(3). TODATE, IVOR B. CLARK HAS FURNISHED OPS WITH COPY OF
ITS CORRESPONDENCE OF MARCH 17 TO GENERAL VELASCO OFFERING
63 MILLION DOLLARS FINANCING WITH 24 MONTHS GRACE PERIOD
AND 5 YEAR REPAYMENT SCHEDULE. INTEREST TO BE QUOTE ONE
POINT OVER THE LONDON INTERBANK OFFERED RATE FOR EURODOLLARS
CURRENTLY AT 6 PERCENT TO BE ADJUSTED EVERY SIX MONTHS,
PAYABLE SEMI-ANNUALLY IN ARREARS NET OF ANY ECUADOR TAXES
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2. ONLY OTHER RESPONSE WAS FROM LOEB-RHOADES WHICH INDICA-

TED THAT IT FELT THAT THEY OR ANYONE ELSE WOULD NOT BE ABLE TO CONSTRUCT FINANCING THAT WAS ANY BETTER OR WORSE THAN WHAT THEY UNDERSTOOD HAD BEEN PROPOSED IN THE THREE REJECTED OFFERS. LOEB-RHOADES HAS SUGGESTED THAT TWO CRITICAL QUESTIONS TO WHICH THEY MUST HAVE ANSWERS ARE: (1) HAS PROJECT RECEIVED APPROPRIATE DECREES AUTHORIZING THE GOE TO GUARANTEE THE LOAN AND (2) HAS THERE BEEN A

RECENT DECREE OR ANY SIMILAR IMPEDIMENT THAT PROHIBITS THE GOE FROM ENTERING INTO CONTRACTS OTHER THAN AT FIXED RATES OF INTEREST?

3. EX-IM HAS INDICATED THAT NO APPLICATIONS OR INQUIRIES HAVE BEEN RECEIVED BY THEM REGARDING THEIR FINANCIAL LITTLE AS 10 PERCENT DOWN WHICH IS LESS THAN WAS AVAILABLE SEVERAL MONTHS AGO AND MAY BE BETTER THAN GOE UNDERSTANDS POSSIBLE. WOULD APPRECIATE COMMENTS BY EMBASSY ON APPROPRIATENESS OF INTRODUCING POSSIBILITY OF EX-IM PARTICIPATION.

4. OPS WILL KEEP EMBASSY APPRAISED OF ANY FURTHER RESPONSES BY COMPANIES LISTED IN REFTEL. INGERSOLL

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Draft Date: 22 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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